

## Appendix 5, Page 2 of 5

## BELL ATLANTIC - NEW YORK

## Carrier To Carrier

## Performance Standards and Guidelines

## INTERIM GUIDELINES 1/98 - 12/98

## MODE OF ENTRY

BA Measure	CLEC Measure	BA Observ	CLEC Observ	Population Standard Deviation	Sampling Standard Deviation	Z-Score	Perf. Score	Entry's Weight Multiple	Weighted Perf. Score
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## Unbundled Network Elements

## Metric A - Response Time OSS Interface

Customer Service Record

Due Date Availability

Address Validation

Product and Service Availability

Telephone Number Availability and Reservation

Metric B - OSS Interface Availability

## Metric D - Order Confirmation Timeliness

Order Confirmation within 24 hours (N-Mech &lt; 10 lines)

Order Confirmation within 48 hours (N-Mech &lt; 10 lines)

Order Confirmation within 72 hours (All Orders &gt; 10 lines)

Order Confirmation within 2 hours (Flow-Thru)

## Metric E - Reject Notice Timeliness

Reject Within 24 Hours (N-Mech &lt; 10 lines)

Reject within 48 Hours (N-Mech &lt; 10 lines)

Reject within 2 Hours (Flow-Thru)

Reject within 72 Hours (All Orders &gt; 10 lines)

## Metric G - Timeliness of Completion Notification

Completion Notification - % On Time

## Metric H - % Flow Through Orders

Flow Through Orders - %

## Metric J - Average Completed Interval

Average Interval Completed - Total - No dispatch

Average Interval Completed - Dispatch (1-5 lines)

Average Interval Completed - Dispatch (6-9 lines)

Average Interval Completed - Dispatch (&gt;10 lines)

Average Interval Completed - Total Dispatch

Average Interval Completed DSO

Average Interval Completed D61

Average Interval Completed D63

## Metric K - % Completed within 5 Days

Completed within 5 Days (1-5 lines) - Total

## Metric L - % Missed Appointment - Company

Missed Appointment - BA - Total

Average Delay Days - Total

Missed Appointment - BA - Dispatch

Missed Appointment - BA - No Dispatch

## Metric M - % Missed Appointment - Facilities

## Metric N - % Installation Troubles within 30 Days

ITS: % Installation Troubles within 30 days

## Metric O - Response Time OSS Interface

Due Date Availability

Address Validation

Product and Service Availability

Telephone Number Availability and Reservation

Metric P - Network Trouble Report Rate

Work Trouble Report Rate

Work Trouble Report Rate - Loop

Work Trouble Report Rate - Central Office

## Metric Q - % Missed Repair Appointments

Missed Repair Appointments - Dispatched (Loop)

Missed Repair Appointments - Not Dispatched (CO)

Missed Repair Appointments - Total

## Metric R - Mean Time to Repair (Time to restore)

Time to Repair

Time to Repair - Loop Trouble

Time to Repair - CO Trouble

## Metric S - % Out of Service &gt; 24 Hours

Out of Service &gt; 4 hours

Out of Service &gt; 12 hours

Out of Service &gt; 24 hours

Troubles Cleared within 24 hours

## Metric T - % Repeat Reports within 30 Days

## Metric V - Timeliness of Daily Usage Feed

Usage Feed in 4 Business Days

## Metric W - Timeliness of Carrier Bill

Carrier Bill in 4 Business Days

**MODE OF ENTRY**

BA Measure	CLEC Measure	BA Observ	CLEC Observ	Population Standard Deviation	Sampling Standard Deviation	Z-Score	Perf. Score	Entry's Weight Multiple	Weight %	Weighted Perf. Score
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## Interconnection

Metric	Count	Percentage
<b>Metric D - Order Confirmation Timeliness</b>		
% Firm Order Confirmation > 10 Days	151	6.4%
<b>Timeliness of Design Layout Record</b>	101	4.3%
<b>Metric E - Project Notice Timeliness</b>		
% Projects > 10 Business Days	101	4.3%
<b>Metric F - % Projects</b>		
<b>Metric G - Timeliness of Completion Notification</b>		
Completion Notification - % On Time	5	2.1%
<b>Metric J - Average Completed Interval - Total</b>	201	8.6%
<b>Metric L - % Missed Appointment - Company</b>		
% Missed Appointment - BA - Total	201	8.6%
Average Delay Days - Total	101	4.3%
<b>Metric M - % Missed Appointment - Facilities</b>	101	4.3%
<b>Metric H - POTS: % Installation Troubles within 30 days</b>	151	6.4%
<b>Metric P - Network Trouble Report Rate</b>		
Network Trouble Report Rate	201	8.6%
<b>Metric Q - % Missed Repair Appointments</b>		
% Missed Repair Appointments - Total	151	6.4%
<b>Metric R - Mean Time to Repair (time to restore)</b>	151	6.4%
<b>Metric S - % Out of Service &gt; 24 Hours</b>		
Out of Service > 2 hours (blocking)	201	8.6%
Out of Service > 4 hours	1	0.4%
Out of Service > 12 hours	1	0.4%
Out of Service > 24 Hours	151	6.4%
All Troubles Cleared within 24 hours	1	0.4%
<b>Metric Y - % Repeat Reports within 30 Days</b>	101	4.3%
<b>Metric U - % Final Trunk Blockage</b>		
Final Trunk Groups Exceeding Blocking Design Standard	201	8.6%

**verbal Category Score (weighted)**

0.000

### Priority Credit

80

● Maximum Monthly Credit Level of

**\$1,562,500**

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<b>BELL ATLANTIC - NEW YORK</b> <b>Carrier to Carrier</b> <b>Performance Standards and Reports</b> <b>CRITICAL MEASURES FOR 271</b>							
	<b>Resale</b>		<b>LINE</b>		<b>Interconnection</b>		<b>Total</b>
	Market Adjustment		Market Adjustment		Market Adjustment		
	%	\$	%	\$	%	\$	\$
Response Time OSS Interface	0%	0	0%	0			0
Customer Service Record	X		X				
Due Date availability	X		X				
Address Validation	X		X				
Product and Service Availability	X		X				
Telephone Number Availability and Reservation	X		X				
Completed Service Order Accuracy	0%	0	0%	0	0%	0	0
Physical Co-Location					0%	0	0
Average Interval Completed	0%	0	0%	0			0
POTS Measure:							
Average Interval completed - Dispatch (1-5 Lines)	X		X				
Average Interval completed - Dispatch (6-9 Lines)	X		X				
Average Interval completed - Dispatch (>10 Lines)	X		X				
Specials:							
Average Interval completed - Total - No Dispatch	X		X				
Average Interval completed - Total - Total Dispatch	X		X				
Metric J - Average Completed Interval - Total					0%	0	0
Missed Appointment - BA - Total	0%	0	0%	0	0%	0	0
POTS:							
% Missed Appointment - BA - Dispatch	X		X				
% Missed Appointment - BA - No Dispatch	X		X				
Specials:							
% Missed Appointment - BA - Total	X		X		X	X	
Ported Number Completion Time > 1 Hour	0%	0	0%	0			0
Network Maintenance							
Network Trouble Report Rate	0%	0	0%	0	0%	0	0
POTS:							
Network Trouble Report Rate - Loop	X		X				
Network Trouble Report Rate - Central Office	X		X				
Specials:							
Network Trouble Report Rate	X		X		X	X	
Missed Repair Appointments - Dispatched (Loop)	0%	0	0%	0			0
Out of Service > 2 hours (blocking)					0%	0	0
Out of Service > 24 Hours	0%	0	0%	0			0
Network Performance							
Local Trunk Groups Exceeding Blocking Design Standard					0%	0	0
TOTAL		\$0		\$0		\$0	\$0

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**BELL ATLANTIC - NEW YORK**  
**271 Backside Market Adjustment Summary**  
**MODE OF ENTRY AND CRITICAL MEASURES**

**Mode of Entry**

<u>Maximum Dollars</u>	<u>Resale</u>	<u>UNE</u>	<u>Interconnection</u>	<u>Total</u>
Maximum Annual Market Adj.	\$11,250,000	\$45,000,000	\$18,750,000	\$75,000,000
Maximum Monthly Market Adj.	\$937,500	\$3,750,000	\$1,562,500	\$6,250,000

Maximum Monthly Rate Impact

Additional Discount	2.94%			
Per Line		\$6.86		
Per Minute Discount			\$0.00025000	

Monthly Rate Impact per Increment

Additional Discount	0.147%			
Per Line		\$0.34		
Per Minute Discount			\$0.00001250	

**Critical Measure**

<u>Maximum Dollars</u>	<u>Resale</u>	<u>UNE</u>	<u>Interconnection</u>	<u>Total</u>
Maximum Annual Market Adj.	\$9,062,500	\$42,500,000	\$23,437,500	\$75,000,000
Maximum Monthly Market Adj.	\$755,208	\$3,541,667	\$1,953,125	\$6,250,000

Maximum Monthly Rate Impact

Additional Discount	2.36%			
Per Line		\$6.48		
Per Minute Discount			\$0.00031250	

Monthly Rate Impact per Increment

Additional Discount	0.12%			
Per Line		\$0.32		
Per Minute Discount			\$0.00001563	



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Donald C. Rowe  
Regulatory Counsel

May 27, 1998

**BY HAND DELIVERY**

Honorable Eleanor Stein  
Administrative Law Judge  
New York State Department of Public Service  
Three Empire State Plaza  
Albany, New York 12223-1350

Re: **Case 98-C-0690: Proceeding on Motion of the Commission to  
Examine Methods by which Competitive Local Exchange Carriers  
Can Obtain and Combine Unbundled Network Elements**

Dear Judge Stein:

Please find enclosed an original and twenty-four (24) copies of Bell Atlantic - New York's Methods for CLEC Combination of Unbundled Network Elements for filing in this proceeding. As requested in your Ruling Concerning Schedule and Participation, copies are being served this date on the active party list published for this proceeding.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "D. C. Rowe".

cc: All Parties (BY OVERNIGHT DELIVERY)

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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:  
Proceeding on Motion of the :  
Commission to Examine Methods by :  
which Competitive Local Exchange :  
Carriers Can Obtain and Combine :  
Unbundled Network Elements :  
:  
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Case 98-C-0690

METHODS FOR CLEC COMBINATION OF  
UNBUNDLED NETWORK ELEMENTS

Randal S. Milch  
Donald C. Rowe

NEW YORK TELEPHONE COMPANY  
d/b/a BELL ATLANTIC - NEW YORK

1095 Avenue of the Americas  
New York, New York 10036

Dated: May 27, 1998  
New York, New York

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STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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:  
Proceeding on Motion of the :  
Commission to Examine Methods by :  
which Competitive Local Exchange :  
Carriers Can Obtain and Combine :  
Unbundled Network Elements :  
:  
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Case 98-C-0690

METHODS FOR CLEC COMBINATION OF  
UNBUNDLED NETWORK ELEMENTS

In its Pre-filing Statement, New York Telephone Company, d/b/a Bell Atlantic - New York ("BA-NY"), agreed to "demonstrate to the Public Service Commission that competing carriers will have reasonable and non-discriminatory access to unbundled network elements in a manner that provides competing carriers with the practical and legal ability to combine unbundled elements." Pre-filing Statement at 10.<sup>1</sup> Although the Telecommunications Act of 1996 (the "Act") only requires BA-NY to provide CLECs with collocation as a means to obtain access to unbundled network elements, BA-NY offers CLECs a variety of ways to combine unbundled network elements which go far beyond this legal requirement:

- First, BA-NY has taken steps both to reduce the CLECs' need to combine unbundled network elements themselves and to facilitate

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<sup>1</sup> Pre-filing Statement of Bell Atlantic - New York (April 6, 1998). BA-NY also agreed to include a discussion of "the feasibility of 'non-cage collocation.'" *Id.* That discussion is in Section II, infra.



that effort where necessary by voluntarily offering preassembled combinations of elements to the CLECs. These combinations -- which include the "switch sub-platform" and the "enhanced extended loop" -- leave a CLEC wishing to provide end-to-end service using BA-NY network elements only with the task of combining loops and ports in a central office. This can be accomplished for the mass market in unconditioned space either within or outside that central office.<sup>2</sup>

- Second, BA-NY offers CLECs both physical and virtual collocation as means for CLECs to access and combine the complete range of unbundled network elements. BA-NY has increased the availability and lowered the expense of physical collocation by offering smaller cages and shared cages, and offers virtual collocation in every central office.
- Finally, BA-NY has gone beyond the requirements of the Act by providing CLECs with opportunities to combine voice grade and DS0 unbundled network elements in assembly rooms, in assembly points outside the central office, and in common collocation space. These additional offers provide CLECs with an unprecedented flexibility in combining unbundled network elements to serve the mass market cheaply.

In light of these additional, voluntary undertakings by BA-NY, the Commission can and should turn a skeptical eye on the amorphous demands for still other types of "cageless" collocation or for "logical unbundling" which are likely to be raised in this proceeding. The demands for a type of "cageless" collocation without appropriate network security is nothing more than an attempt to relitigate the well-established

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<sup>2</sup> BA-NY has also agreed (under certain terms and conditions) to provide CLECs with an end-to-end combination of elements, known as the "UNE-Platform," as well as "lesser combinations" of elements which CLECs may desire. Pre-filing Statement at 8-11. These voluntary agreements to provide combinations of unbundled network elements were made in the Pre-filing Statement solely in exchange for the Commission Chairman's recommendation that the Commission support Bell Atlantic's application for Section 271 relief when these and other Pre-filing commitments are fulfilled. See Letter of Chairman John J. O'Mara to Deputy Chairman Maureen O. Helmer, dated April 6, 1998.

principle that network security will be unnecessarily jeopardized if a burgeoning number of unaffiliated personnel are free to wander through BA-NY's central offices. "Logical unbundling" - which pretends that physically defined elements like loops and ports which are already assembled by BA-NY can somehow be "unbundled" and "combined" by CLECs by turning off the port and then turning it back on - is a bald attempt to turn years of proceedings in front of this Commission on their head. Neither unsecured "cageless" collocation nor "logical unbundling" are legally required or reasonably necessary to encourage competition in New York, and they should be rejected out of hand.

**I. BA-NY PROVIDES CLECS WITH OPPORTUNITIES TO USE AND COMBINE UNBUNDLED NETWORK ELEMENTS THAT GO FAR BEYOND THE REQUIREMENTS OF THE ACT**

The wide variety of opportunities BA-NY provides CLECs so that they can use and combine unbundled network elements exceed the requirements of the Act. In particular, BA-NY's voluntary agreement to provide CLECs with certain pre-assembled combinations of network elements, and its willingness to provide CLECs with methods of access to unbundled network elements other than traditional collocation, are not required by the Act. Taken together, BA-NY clearly meets its obligation under § 251(c)(3) of the Act to provide "unbundled network elements in a manner that allows requesting carriers to combine such elements."

**A. The Combinations of Network Elements BA-NY Has Voluntarily Agreed to Provide Enable CLECs to Readily Combine Elements Themselves**

BA-NY's agreement in the Pre-filing Statement to provide CLECs with certain combinations of unbundled network elements does more than simply provide the CLECs with ready-made groups of elements.<sup>1</sup> The combinations BA-NY has agreed to provide – the “switch sub-platform” and “enhanced extended loop” – essentially reduce the CLECs' need to combine elements themselves to a single instance: the combination of loop and port. Although traditional collocation – both physical and virtual – has become routine and inexpensive because of BA-NY's and the Commission's consistent efforts in this area, traditional collocation uses environmentally conditioned space in BA-NY's central offices, a fact that both constrains availability and contributes to the cost of physical

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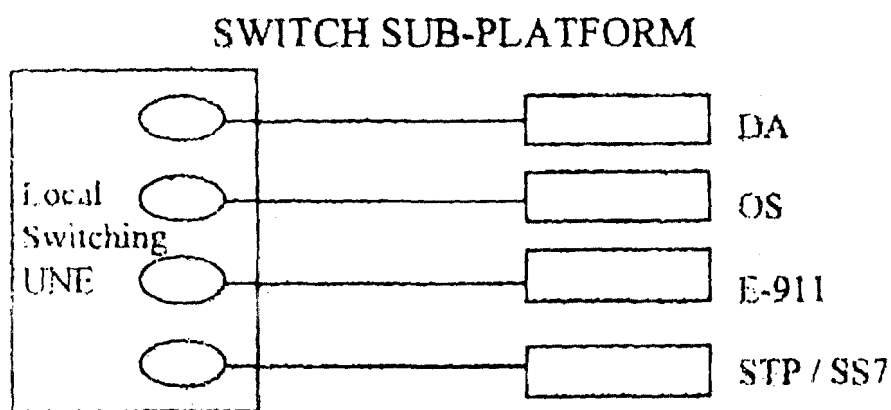
<sup>1</sup> BA-NY's willingness to pre-assemble certain combinations of network elements on the CLECs' behalf is an extraordinary undertaking BA-NY need not make. The Eighth Circuit made it plain that the FCC's rules requiring incumbent local exchange carriers to combine elements for CLECs were inconsistent with the “last sentence of subsection 251(c)(3) . . . [which] unambiguously indicates that requesting carriers will combine the unbundled elements themselves,” and cannot “be read to levy a duty on the incumbent LEC's to do the actual combining of elements.” Iowa Utils. Bd. v. FCC, 120 F.3d 753, 813 (8th Cir. 1997) (emphasis supplied). Since the Act also sets out Congress' unambiguous determination that State public utility commissions may not impose obligations “inconsistent with” § 251, BA-NY is not required to provide element combinations under federal or state law. Section 261(c)

While State commissions are split on the issue, a number have agreed that they are precluded from reaching a decision on unbundled network element combinations inconsistent with the Eighth Circuit's opinion. See In the Matter of the Commission Investigation and Generic Proceeding on GTE's Rates for Interconnection Services, Unbundled Elements, Transport and Termination Under the Telecommunications Act of 1996, Ind. Cause No. 40618, Order dated May 7, 1998 at 24; Consolidated Petitions of New England Tel. & Tel. Co., d/b/a Bell Atlantic - Massachusetts, D.P.U./D.T.E. 96-73/74, Order dated March 13, 1998 at 10. These issues are being addressed in Case 97-C-1963, Ordinary Tariff Filing of New York Telephone Company to Effect the Withdrawal of Certain Combinations of Unbundled Network Elements, and in Cases 96-C-0787, 96-C-0864 and 97-C-0961.

collocation. The combination of voice grade loops and ports, however, can be achieved in space without central office conditioning, and BA-NY's assembly room and assembly point offerings seize on this fact to provide CLECs with a more broadly available and less expensive method of combining these unbundled network elements.

**1. The Switch Sub-Platform Eliminates the Need for the CLEC to Combine Switching, Transport and Other Elements**

BA-NY will provide a CLEC that obtains BA-NY's unbundled local switching element with combinations which include BA-NY's shared and/or dedicated interoffice transport and other elements or services connected with this transport. This "switch sub-platform" provides access to BA-NY-provided tandem switching, signaling (Service Transfer Points signaling links and databases), E911, and operator services and directory assistance ("OS/DA"), or through customized routing and dedicated transport to similar services provided by the CLEC or another provider:



The switch sub-platform provides a CLEC with ready access to unbundled local switching combined with transport, signaling, databases, OS/DA, and E911 without any collocation requirement at either the originating central office or any office where the associated transport and other combined unbundled network elements or services

terminate. CLECs which purchase the switch sub-platform will be able to provide local exchange service using their own (or leased from a third party) loop, a BA-NY-provided unbundled loop, or equivalent facilities.

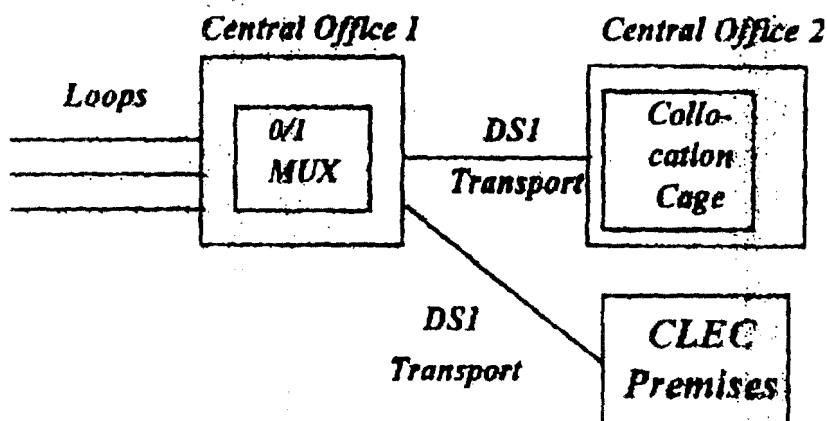
**2. Enhanced Extended Loop Service Relieves the CLEC of the Need to Collocate Transmission Equipment to Gain Access to BA-NY's Unbundled Loops**

BA-NY will also provide a loop and transport combination<sup>4</sup> for use by CLECs in their provision of switched local exchange and associated switched exchange access services. This Enhanced Extended Loop combination will provide a CLEC with access to unbundled loops without the need to collocate in the central office in which those loops terminate -- or indeed to collocate at all. BA-NY will combine the unbundled loop with multiplexing (where requested) and appropriate transport either to a single collocation node in a LATA or to the CLEC's premises:

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<sup>4</sup> As set forth in the Pre-filing Statement, if BA-NY combines unbundled loop and transport elements for CLECs (including multiplexing where required and, when technically feasible, concentration), such combinations (i) may extend from an end user to a CLEC collocation cage or CLEC premises, but may not in any manner be connected to a BA-NY switch (to avoid overloading the switch), and (ii) may be used to provide switched local exchange service and associated switched exchange access service. Pre-filing Statement at 10-11. This combination is not provided as a substitute for switched or special access services.

## **ENHANCED EXTENDED LOOP SERVICE**



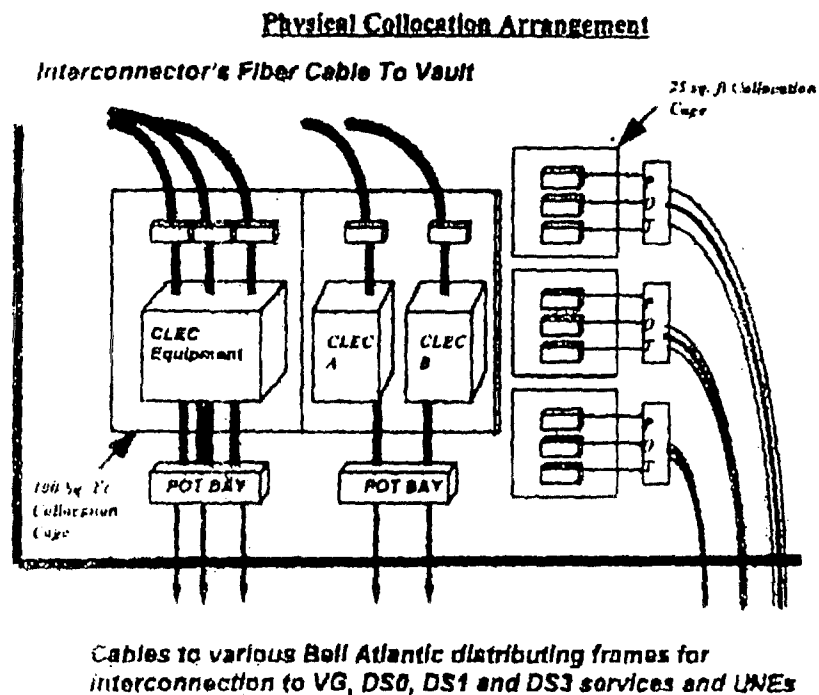
**B. BA-NY's Physical and Virtual Collocation Offerings, Plus Its Assembly Room and Assembly Point Proposals, Provide CLECs with Practical Methods to Gain Access to and Combine Unbundled Network Elements**

**1. Traditional Physical Collocation, Smaller Cages and Shared Cages**

In its traditional form, physical collocation enables a competing carrier to place its multiplexing and transmission equipment within an environmentally-conditioned, secured and segregated area of BA-NY's central office (generally secured by wire fencing called a collocation cage) to which BA-NY provides necessary support services such as power and HVAC.<sup>5</sup> The CLEC equipment placed in this area permits the collocater to interconnect with BA-NY's network and obtain access to BA-NY's unbundled network elements, as well as private line and switched/special access services. Physical

<sup>5</sup> Physical collocation is available under BA-NY's FCC No. 1, PSC No. 914 and PSC No. 900 tariffs and under licensing agreements.

collocation can of course also be used by CLECs to combine the full range of unbundled network elements.



BA-NY has long been an industry leader in the provision of physical collocation arrangements, providing access to unbundled loops through this arrangement since 1994. BA-NY has to date established 154 physical collocation arrangements serving 21 competing carriers.<sup>6</sup> BA-NY has eliminated the backlogs associated with ordering physical collocation arrangements and, with good-faith forecasting by the CLECs, BA-NY will be able to maintain tight time frames for establishing collocation nodes in the

<sup>6</sup> At least since Congress eliminated some of the takings issues associated with physical collocation with the passage of § 251(c)(6), some form of traditional physical collocation is being provided by all Bell Operating Companies.

future.<sup>7</sup> With new, lower physical collocation rates now under review in Phase 3 of Cases 95-C-0657, et al., traditional physical collocation is an exceptional value to CLECs. Nevertheless, in response to CLEC concerns over the paucity of collocation space in certain central offices and over the cost of physical collocation, BA-NY has further modified its traditional physical collocation offering in two ways.

First, BA-NY has tariffed smaller collocation cages, which are particularly suited for the combination of unbundled network elements. Traditionally, collocation cages have been provided in a 100 square foot minimum size increments. While large cages are needed by some CLECs to house transmission equipment used to gain access to unbundled loops, the simple combination of loops and ports does not require the same amount of space. Accordingly, BA-NY has offered smaller (approximately 25 square foot) physical collocation nodes that are suitable for use by competing carriers to combine individual network elements supplied by BA-NY. A 25 square foot enclosure can accommodate up to 10,000 pairs of 2-wire terminations for the purpose of combining UNEs, including space for an employee to work in the enclosure. They are also suitable for combining higher speed loops and ports. These smaller cages will be constructed and housed in the same secure collocation area as other physical collocation arrangements. The provisioning and the maintenance processes are identical to those used for a larger cage. They are currently tariffed and available.

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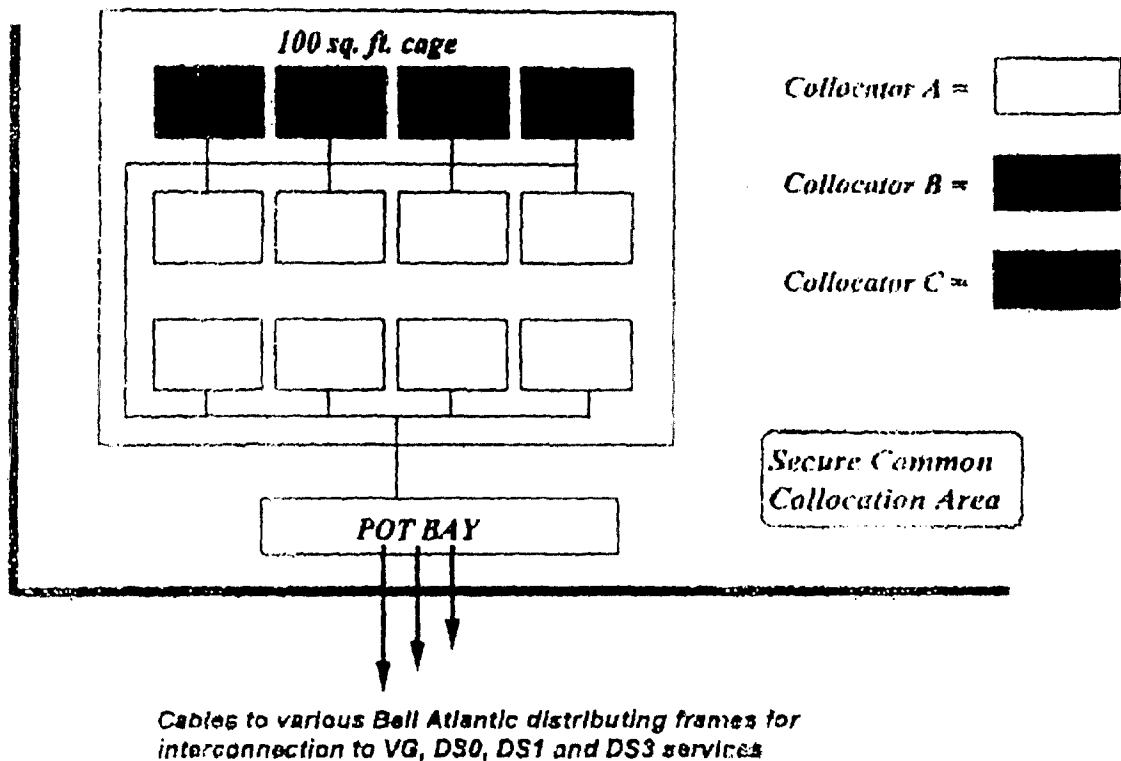
<sup>7</sup> Pre-filing Statement at 16-20.



These smaller cages present two obvious benefits to CLECs. First, these smaller arrangements will be available in BA-NY central offices where space limitations preclude placement of larger cages. Preliminary reviews indicate that there is room for smaller cages in at least six of the sixteen central offices identified as without space for the traditional 100 square foot minimum cage. Second, because of their smaller size, the charges for these collocation nodes will be less than the charges for 100 square foot collocation arrangements BA-NY provides. Based on the information before Judge Linsider in the Cases 95-C-0657, et al., non-recurring costs for the smaller cage are nearly \$3,000 less than those for the standard cage, and the recurring costs for space are reduced from \$221 per month to \$54 per month. Further, in central offices requiring raw space conditioning, the CLEC using a 25 square foot cage is responsible for only 25% of allocated conditioning costs faced by a user of a 100 square foot cage.

The second change in BA-NY's physical collocation offering responds to CLEC requests to "share" space in a single collocation arrangement. BA-NY has committed in the Pre-filing Statement to permit a collocating CLEC to become the "host" to another collocating CLEC, enabling the host to share its space. In these arrangements, BA-NY would continue to regard the host CLEC as its customer for all collocation matters, e.g., space, power and other requirements, while the host would establish its own contractual arrangement with any guest CLECs it may decide to accommodate.

## Collocation Shared Space



This arrangement would allow both the host and the guest CLEC to operate at a lower cost than if they each had their own cage by sharing BA-NY's rates for establishing and supporting the physical collocation site. At the same time, BA-NY will be able to avoid any new or additional costs by maintaining its collocation agreement with the host CLEC, which will remain the billed party solely responsible to BA-NY for the collocation site.<sup>4</sup> The host CLEC would continue to be bound by the security and other

<sup>4</sup> Thus, if BA-NY must incur extra costs to augment an existing cage to meet the needs of the "guest" CLEC (e.g., additional power requirements), these would be recovered by BA-NY from the host CLEC. The host CLEC would then follow its commercial arrangement with the guest CLEC to provide for its own cost recovery.

operating requirements associated with collocation and, in turn, would have to assure that the guest CLEC abides by them as well.

With respect to unbundled network elements, BA-NY will directly and separately serve both the host and the guest in the provision, repair and billing of the individual elements each orders from BA-NY. Since the host CLEC will have overall assignment control of the facilities to the POT Bay, the guest CLEC will secure a connecting facility assignment from the host CLEC and will be able to provide this information to BA-NY when the guest CLEC orders unbundled network elements to be delivered to the host CLEC's collocation node. The proposed terms and conditions for this offering – which will be generally available by tariff – are set forth in greater detail in the "Shared Cages" Product Description attached as Appendix A.

Assuming that BA-NY's relationship with the host CLEC remains unchanged, BA-NY anticipates there will be no additional costs caused simply by establishing this host/guest relationship. As proposed by BA-NY, this shared arrangement will not affect the actual collocation operating environment and there should be no adverse impact on customer service.\*

## **2. Virtual Collocation**

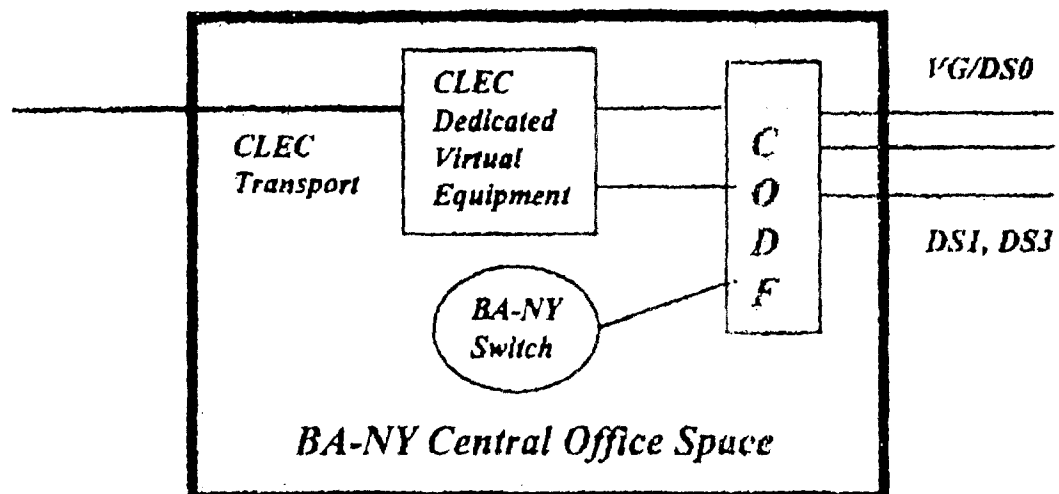
Although the Act itself limits BA-NY's obligation to provide virtual collocation to those offices in which space for physical collocation is not available, BA-NY has made such collocation arrangements available in all of its central offices. In a virtual

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\* BA-NY understands that SBC offers shared cages in certain jurisdictions.

collocation arrangement, the CLEC purchases the equipment it wishes to have placed in the BA-NY central office, and then sells the equipment to BA-NY for a one-dollar fee. Thereafter, BA-NY owns and maintains the equipment exclusively on the CLEC's behalf.<sup>18</sup> None of these arrangements require access to the central office by the CLEC because BA-NY will, at the direction of the CLEC, undertake all servicing activities for virtually collocated equipment.

### **VIRTUAL COLLOCATION**



CLECs can use a virtual collocation arrangement to combine loops and ports of all types. For instance, a CLEC could use an existing, remotely controlled cross-connect device that is mounted in a standard 23-inch equipment relay rack to combine loops and

<sup>18</sup> When the CLEC provides equipment not normally used by BA-NY, the CLEC must demonstrate compliance with all applicable NEBS/Bellcore and other pertinent industry standards for central office deployment, and provide BA-NY personnel with training on the operation of the equipment.

ports as its customers may require. This sort of system is manufactured by at least one vendor, CON-X Corporation, and is in use today by local exchange companies and CLECs for various applications, including central office applications. The equipment removes or places connections as directed by an administrative workstation remotely connected to the cross-connect device.

CLECs could use this existing system for up to 1,400 circuits per device.

Additional devices can be added as demand grows. A single device equates to 1,400 subscriber pairs (unbundled links), 1,400 BA-NY inputs (unbundled BA-NY ports) and 1,400 CLEC inputs (CLEC ports). This offers a great deal of flexibility for the CLEC. In a standard cross-connect arrangement of a link to a port, the CLEC would use only 2 of the 3 inputs (the unbundled link and the BA-NY port). When the CLEC invests in a switch, however, it can connect its switch port to the spare input (either through its own fiber transport or through interoffice facilities or leased transport from a third party or BA-NY) and then (on its own schedule) simply command the system to connect the subscriber to the CLEC dial tone. The CLEC thus has a reasonable and cost-effective way to migrate customers from using BA-NY loops and ports to using the CLEC's own switching equipment.

New York was the first state to employ virtual collocation when BA-NY installed its first arrangement in 1989. After an interlude in which it offered only physical collocation, BA-NY has profited from the significant virtual collocation experience of the pre-merger Bell Atlantic telephone companies, which were industry leaders in the arrangement and currently serve 7 carriers in over 90 central offices. BA-NY currently

serves one competing carrier in 3 locations. Thirteen virtual collocation arrangements for 4 carriers in an additional 7 central offices are either in progress or awaiting action from the requesting CLEC. The rates, terms and conditions under which virtual collocation arrangements are provided are established in BA-NY's tariffs, and addressed in various local interconnection agreements.<sup>11</sup>

### 3. Assembly Room and Assembly Point Alternatives

In response to CLEC claims that collocation arrangements are too costly to use to combine loops and ports, BA-NY also proposes to create two new, lower cost alternatives for CLECs to reach the mass market using only BA-NY's network elements - the Assembly Room and the Assembly Point. Both assembly offerings are lower in cost (and in upfront investment) than physical collocation because combinations of loop and port can be made without the conditioned central office environment. Both offerings provide CLECs with an assembly location where they can gain access to link and port elements at the voice grade and DS0 levels and can perform their own combinations of these unbundled network elements.<sup>12</sup>

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<sup>11</sup> Virtual collocation is available under licensing agreements and BA-NY's FCC No. 1 Tariff. The virtual collocation filing in BA-NY's NY PSC No. 914 Tariff has been suspended pending review. The proposed terms and conditions of BA-NY's virtual collocation offering are included in the 914 Tariff and the rates are based on forward-looking costs. These proposed rates are subject to ongoing Commission review in Case 95-C-0657, et al.

<sup>12</sup> BA-NY's willingness to provide CLECs with an array of methods other than physical collocation to gain access to (and combine) unbundled network elements at BA-NY's premises are again options BA-NY is not required to offer. The Act's requirement to provide CLECs with access to unbundled network elements is followed by § 251(c)(6)'s unambiguous statement that physical collocation (and virtual collocation where space does not permit the physical occupation of a central office) are the methods by which access at BA-NY's premises will be provided. Although collocation requires CLECs to make some investment to gain

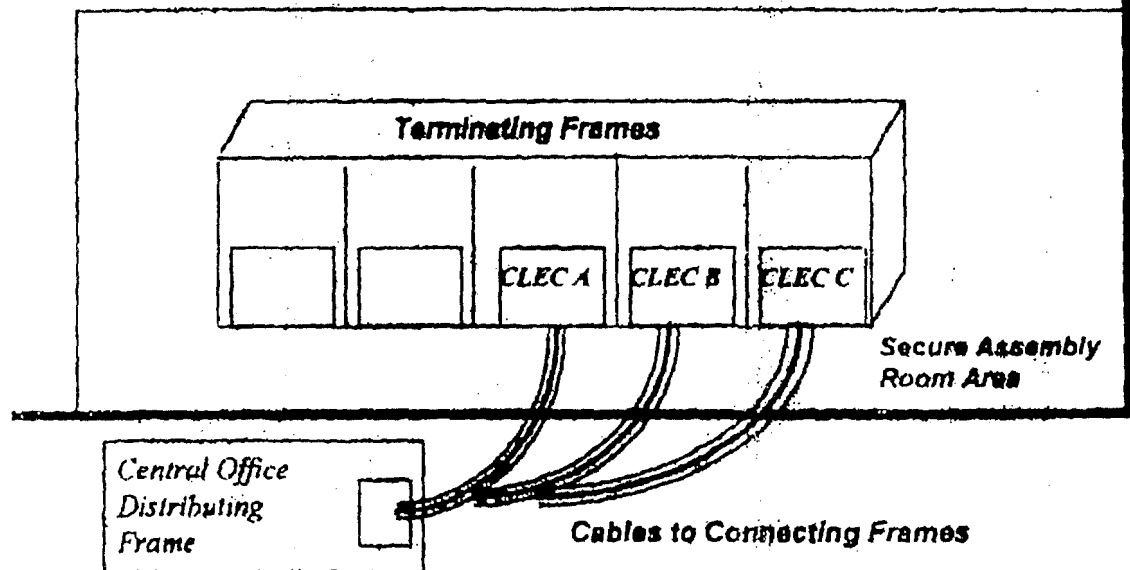
Where suitable space and access is available, BA-NY will create a secured space within the BA-NY serving wire center equipped with a series of CLEC Termination Frames (which is a portion of a standard POT Bay). Each CLEC Termination Frame will include terminal blocks that are dedicated to an individual CLEC for the purpose of combining UNEs:

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(... Continued)

access to unbundled network elements, both the Act and the Eighth Circuit contemplated this. The Act imposes a duty on local exchange carriers to provide "for physical collocation of equipment necessary for . . . access to unbundled network elements at the premises of the local exchange carrier." 47 U.S.C. 251(c)(6) (emphasis supplied). The Eighth Circuit recognized this when it stated that "unbundled access has several disadvantages that preserve resale as a meaningful alternative." Among these "disadvantages" is that "a carrier providing services through unbundled access . . . must make an upfront investment that is large enough to pay for the cost of acquiring access to all of the unbundled elements of an incumbent LEC's network . . ." 120 F.3d at 815. Collocation is precisely the type of "upfront investment" contemplated by the Act and the Eighth Circuit.

## Assembly Room

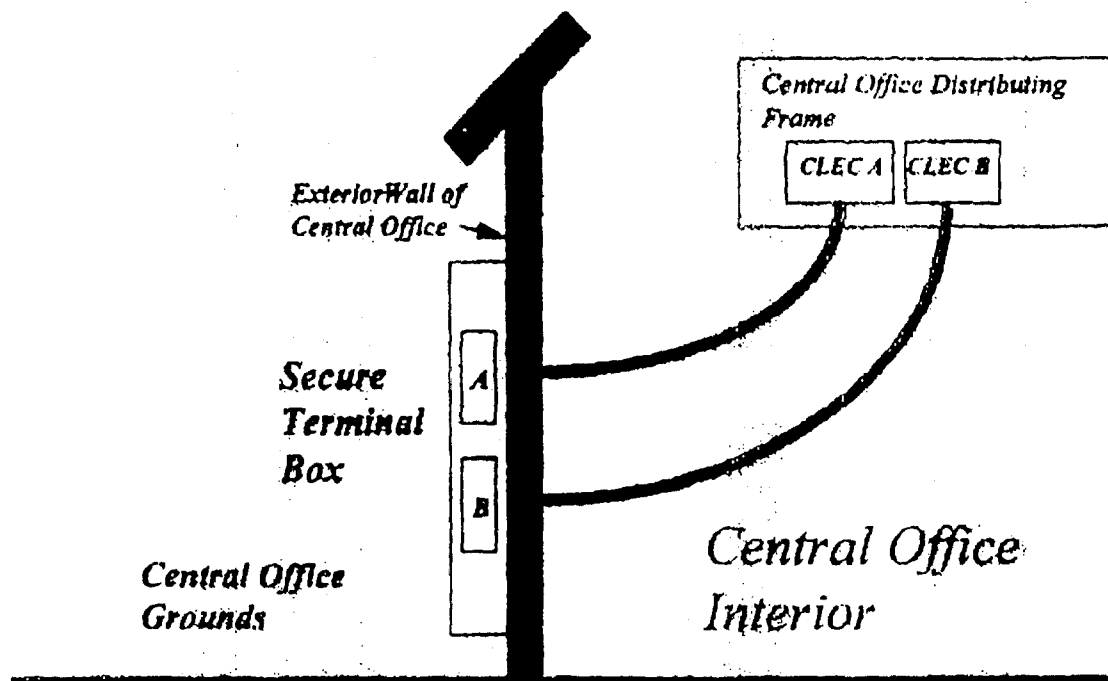


An Assembly Room will meet all requirements necessary to enable CLECs to combine unbundled network elements on cross-connect panels inside the Assembly Room. Assembly Rooms will not require the more costly environmental conditioning provided with physical collocation to meet the operating requirements of CLEC transmission and other equipment. Moreover, since the Assembly Room is in a secure area of the central office (and segregated from BA-NY's equipment), CLECs have no obligation to install cages within the Assembly Room. If CLECs choose to use Assembly Rooms or Assembly Points, they will be able to avoid the costs of a collocation cage itself, giving them a reasonable and secure "cageless" collocation option.



Where suitable space or access is unavailable inside a central office, an "Assembly Point" alternative can be established in a locked outdoor-rated termination enclosure outside of the central office building itself.<sup>13</sup> Based on the specific circumstances involved, the outside enclosure will be either a wall- or post-mounted Termination Splice Box or a pedestal type Terminal Box Pad-Mounted Outside Plant Cabinet. Both are readily available equipment and both provide the necessary cross-connect functionality. In either case, the need for a CLEC to enter the central office to combine elements will be entirely eliminated.

### *Assembly Point Building Mount*



<sup>13</sup> The feasibility of establishing an external Assembly Point in a particular location will depend on facility security issues and local zoning regulations, as well as telephone service engineering.